



Pathway Advisors LLC

Management & Financial Counsel

Getting it Done

Management & Financial Insights for Business Professionals

JUNE 2023



Dear Gerry,

Having been trained as a commercial lending officer, I began my career as a consultant to distressed companies with a heavy focus on financial issues. After several years, however, it became clear to me that for the most part, financial difficulties were the symptom of fundamental organizational weaknesses – not the core problem itself.

After some reflection, this all made sense. The fact is that CEO/Owners tend to focus on what they're really good at, and comfortable with. Sales, the production and delivery of goods and/or services, and profitability are commonly first and foremost. The problem with this, is that in the long-run, sustainable profitability and growth require a thoughtfully developed and coordinated workforce.

As my interest in organizational development has grown, I've built up a collection of quotes that address various key building blocks. To me, they are so powerful because of both their insight and brevity. To that point, a number of articles have written about the science of why quotes can be so impactful.

I hope you'll share my enthusiasm for the messages these seven quotes deliver!

As always, I welcome your comments and questions.

Regards, Gerry

Seven Thoughts Every CEO/Owner Should Embrace

On Training: Henry Ford

“The only thing worse than training your employee and having them leave is not training them and having them stay.”

I always like to start with a little humor, but the fact is that humor is often a great way to get to the truth! When I walk into a company in financial difficulty, I always ask the executives how much time they’ve spent in the prior two years participating in some form of professional training. Almost universally, the answer is none. And together with that, these companies rarely encourage meaningful training for their employees as well. We live in a rapidly changing, increasingly sophisticated and competitive business environment and it’s flat out inexcusable for a CEO to overlook the value of continuing training.

On Leadership: Bill Gates

“As we look ahead ... leaders will be those who empower others.”

Job descriptions exist for a very good reason. They provide the type of structure that every organization needs. At the same time, strong CEO/leaders in top performing companies encourage their employees to find their own best approaches and their own best solutions for meeting their company’s needs. By bringing out the best in their people, a strong leader can bring out the best in their company.

On Teamwork: Walter Wriston

“The person who figures out how to harness the collective intelligence of his or her organization is going to blow their competition away.”

The Center for Collective Intelligence at MIT has conducted research which demonstrates that the “collective intelligence” of a strong team is real, measurable and manageable. Furthermore, this research also found that the “collective intelligence” of a team can exceed the capabilities of the individuals involved. We’ve all experienced times when two heads were truly better than one. The fact is that effective teams are a core building block for sustainable success.

On Culture: Louis Gerstner

“I came to see, in my time at IBM, that culture isn’t just one aspect of the game – it is the game.”

When I've played the role of interim CEO, I've often been amazed by how quickly an improvement in a company's culture can make an amazing difference. To get that done, I've found that truthfulness, a willingness to make tough decisions quickly, fairness, and a sensitivity to the challenges each person is confronting can turn a company's culture into an invaluable asset.

On Execution: Steve Jobs

“To me, ideas are worth nothing unless executed. They are just a multiplier. Execution is worth millions.”

Execution is the fine art of having people individually, and an organization as a whole, get things done when they should be - and how they should be. To accomplish this consistently, robust systems must be in place which support the effort. These systems can range from the automated capturing and reporting of data all the way to structured communications and response processes for activities that aren't going as planned. Most importantly, however, there needs to be a firmwide commitment – perhaps even fanaticism – about execution excellence.

On “The Little Things”: Marcel Telles

“A company can seize extra-ordinary opportunities only if it is very good at the ordinary operations”

Marcel Telles is a Brazilian executive and investor with a reported net worth in excess of \$11 billion. His comment on “ordinary operations,” or what I'm referring to as “the little things” is, in actuality, a “big thought.” And there are so many “little things” that really count. As examples, a company simply cannot perform to its potential if it lacks clear, well thought out job descriptions and review processes; an organizational chart that helps assure operational clarity; or company-wide communications practices that makes every employee feel they're in the loop - and valued. You can think of a company as if it's a car, it may have the most powerful engine in its class, but it just won't get there if the oil is never changed, or a tire goes flat.

On Listening: Lee Iacocca

“I only wish I could find an institute that teaches people how to listen.”

My experience is that the majority of highly ambitious CEOs aren't very good listeners.

And the result is that they often miss invaluable input that could help them make better, more well-informed decisions. Not surprisingly, I've found this to be particularly true of the CEOs of financially troubled companies I've worked with. More often than not, the inability to listen is a reflection of both a CEO's personality – and a hugely engrained habit. Nonetheless, the commitment to try can be one of the most significant efforts a CEO can make.

My Closing Thought

Nothing I've discussed here is rocket science – quite the contrary. Nonetheless, the CEO/owner who is committed to building an organization that embraces the seven thoughts I've discussed has a far better shot at untapping their company's true potential.

Gerry Sherman 617-699-2756
gsherman@pathway-advisors.com

Richard Katzman 617-935-3581
rkatzman@pathway-advisors.com

Pathway Advisors LLC is a specialized business advisory firm focused on helping our clients effectively resolve their most significant profitability, cash flow, banking, operational, and organizational challenges. We pride ourselves on the ability to analyze issues quickly, develop plans to solve them efficiently, and leverage our deep relationships in the financial and business communities to do so. Pathway has helped over 450 companies throughout the eastern half of the US.

Pathway Advisors, LLC | 145 Wood Road, Braintree, MA 02184

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